
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 4.14.2009

Washington Post: "Treasury Plans to Tap Fannie Mae Chief to Run Bailout ... The Treasury Department is moving closer to naming Fannie Mae chief executive Herbert M. Allison Jr. to run its financial recovery program, according to people familiar with the matter."

Washington Post: "SEC Reviewing Omission of Merrill Bonuses From Filing ... The Securities and Exchange Commission is reviewing whether Bank of America broke the law by failing to disclose bonuses it was planning to pay Merrill Lynch employees before buying the Wall Street investment bank last year."

Washington Post: "Goldman Posts Profit, Moves to Repay Rescue Money ... Goldman Sachs announced Monday that it made \$1.81 billion in profit during the first quarter, far more than analysts had expected, and planned to raise \$5 billion to repay taxpayer bailout funds."

Washington Post: "Challenges Remain For AIG, Employees ... The public furor over \$165 million in retention payments at American International Group has faded in recent weeks. But in its wake, other problems have arisen that conceivably could cost the company -- and U.S. taxpayers -- more than the payments themselves."

Washington Post: "Structuring the Treasury's Bet For a Long-Term Payoff ... Financial wheeling and dealing is out of fashion these days. So is the idea of suffering short-term pain in return for the prospect of long-term gain. But in honor of Tax Day, when we all ante up to Uncle Sam, here's a modest proposal: The U.S. Treasury should do some fancy financial dancing that would hurt taxpayers today but would save tons of money for taxpayers in the future."

Wall Street Journal: "Metlife Rebuffs Funds; Genworth Is Ineligible ... Two life-insurance companies aren't going to participate in the government's bailout program, but for entirely different reasons."

Wall Street Journal: "Fannie, Freddie Both Need CEOs ... The likely departure of Herb Allison from Fannie Mae would leave both the mortgage titan and its main rival, Freddie Mac, scrambling to find new chief executive officers at a critical time in the government's efforts to revive the housing market."

Wall Street Journal: "Small Businesses vs. Bailed-Out Banks ... There is a 17,000-square-foot factory in this city's ethnic Little Village neighborhood that is home to third-generation tamale maker Alejandro Castro, his grandmother's handwritten recipe for mole sauce -- and a protracted public-relations battle with the nation's largest bank by assets, Bank of America Corp."

Wall Street Journal, Op-Ed: "Congress Takes Aim at Payday Loans ... For those who depend on taking out a loan in advance of a paycheck, life may soon get harder if Congress passes the Payday Loan Reform Act."

Wall Street Journal, Op-Ed: "'Say on Pay' and Other Bad Ideas ... To socialize the American economy, it is not necessary to nationalize every business in the United States. All it requires is to put the corporations that control the finances of all of the companies in the economy under government control. And that is what is happening now."

Wall Street Journal, Editorial: "Presto: Another \$750 Billion ... The U.S. and Europe were widely expected to clash at the G-20 summit in London last month over how to address the global financial crisis. Voila, in just two days the problem was solved with a joint promise to increase International Monetary Fund resources by \$750 billion to a total of \$1 trillion."

New York Times: "Goldman Using Share Sale to Return Bailout Funds ... six months after accepting a financial lifeline from Washington, a newly profitable Goldman Sachs is pushing to return the billions of taxpayer dollars that it received in an effort to extricate itself from heightened government control."

Bloomberg: "Obama Auto Team Considers Swapping Loans to GM for Equity Stake ... The U.S. government is considering swapping some of the \$13.4 billion General Motors Corp. owes it for an equity stake in a stripped-down version of the carmaker, people familiar with the matter said."

Financial Times, Editorial: "Lessons learnt for capitalism's future ... Some crises spread hysteria; some clear the mind and focus attention. This one has done both. Lehman Brothers' fall panicked financial markets into paralysis. Wrong-footed policymakers scrambled for responses - to the point of then US Treasury secretary Hank Paulson's three-page proposal for a law to give him \$700bn, no strings attached."

The New Republic, Op-Ed: "Barack Vs. The Banks ... One of the most important lessons of Karl Marx's Capital is that capitalism is not a self-regulating mechanism (with which the government interferes at its own peril), but a set of government-enforced social relations that structure the production and distribution of wealth. These relationships--depicted in Economics 101 textbooks as "natural" rather than "man-made"--are largely invisible except in times of economic crisis, when they can become key factors in shaping the government's response."

USA Today: "4 questions, 4 answers from Ben Bernanke ... Federal Reserve Chairman Ben Bernanke, who perhaps has more influence than anyone on the U.S. economy, will deliver these remarks this afternoon at Morehouse College in Atlanta. USA TODAY was given a copy of the speech ahead of today's event. In it, Bernanke asks, and answers, four important questions that he often hears about the financial crisis. Excerpts from his speech, which have been edited for length."

CBS: "Bailout Banks Hike Up Charges ... With the economy in a downturn, there's one thing that's going up: bank fees and interest rates charged to customers. Including those charged by bailout banks that have gotten billions from taxpayers, reports CBS News investigative correspondent Sharyl Attkisson."

National Review Online, Kudlow: "TARP the Life Insurers? This Is Nuts ... Is bailout nation about to strike again? Sure looks like it. According to a bunch of front-page news stories, life-insurance companies are about to get TARPed. This is nuts."

Politico: "TARP II: more questions than answers ... By the end of this month, the Obama administration is going to have to come up with answers to several extremely challenging economic questions."

Roll Call: "Goldman's Costello Joins Bank of New York ... Ann Costello, head of Goldman Sachs' U.S. lobbying operation, is joining the Bank of New York Mellon Corp."